

Message Text

CONFIDENTIAL

PAGE 01 MEXICO 03155 231732Z
ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 EA-10 ISO-00 AGRE-00 CIAE-00
COME-00 INR-10 LAB-04 NSAE-00 SP-02 STR-07
TRSE-00 FRB-03 OMB-01 /068 W
-----001730 240401Z /21

R 231718Z FEB 78
FM AMEMBASSY MEXICO
TO SECSTATE WASHDC 8479
INFO AMEMBASSY SANTO DOMINGO
AMEMBASSY GUATEMALA
AMEMBASSY LONDON

C O N F I D E N T I A L MEXICO 03155

E.O. 11652: GDS
TAGS: ETRD, EAGR, EALR, MX
SUBJECT: SUGAR: EIGHTH PLENARY SESSION OF GEPLACEA

1. THE EIGHTH PLENARY SESSION OF GEPLACEA WAS CONDUCTED
IN MEXICO CITY DURING THE WEEK OF FEBRUARY 13, 1978.
EMBOFF DISCUSSED RESULTS OF SESSION WITH GEPLACEA EXECU-
TIVE SECRETARY JORGE BRIOSO ON FEBRUARY 22.

2. BRIOSO BELIEVES MAIN ACCOMPLISHMENT OF SESSION WAS TO
OBTAIN FULL SUPPORT OF THE MEMBERSHIP FOR THE NEW INTER-
NATIONAL SUGAR AGREEMENT (ISA). HE ALSO THOUGHT IT
SIGNIFICANT THAT THE DOMINICAN REPUBLIC EXPRESSED A
FORMAL INTENTION TO PARTICIPATE IN THE ISA AND TO FIND A
SOLUTION TO THEIR SUGAR MARKETING PROBLEMS WITH THE
HELP OF GEPLACEA AND WITHIN THE FRAMEWORK OF THE ISA.
THIS EXPRESSION OF INTENTION BY THE DR WAS GIVEN A VOTE
OF APPROVAL IN THE FULL PLENARY SESSION.

3. THE GEPLACEA COMMISSION ON THE ISA MOVED TO EXPRESS
THE CONCERN OF ALL MEMBER COUNTRIES ABOUT THE NEW SUGAR
FEES IMPOSED BY THE UNITED STATES. THE MOVEMENT STATED
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MEXICO 03155 231732Z

THAT THE U.S. ACTION WAS NOT COMPATIBLE WITH THE
PROVISIONS OF THE ISA AND WOULD HAVE SERIOUS ADVERSE
EFFECTS ON THE ECONOMIES OF SUGAR EXPORTING COUNTRIES.
THE MOTION WAS APPROVED BY THE FULL PLENARY SESSION.

4. BRIOSO ALSO CONFIRMED PRESS ACCOUNTS OF ATTACKS BY
MEXICAN SUBSECRETARY OF COMMERCE HECTOR HERNANDEZ ON

THE U.S. FEE SYSTEM IN HIS SPEECH BEFORE THE GEPLACEA SESSION. HERNANDEZ SAID THE FEE WOULD CAUSE REAL DAMAGE TO THE ECONOMIES OF SUGAR EXPORTING COUNTRIES AND THAT IN TAKING THE ACTION THE USG HAD VIOLATED INTERNATIONALLY ACCEPTED PROCEDURES, INCLUDING THE ONE CALLING FOR PRIOR CONSULTATIONS.

5. THE GEPLACEA COUNTRIES AGREED TO SUPPORT THE ISO DECISION TO NOT COMMIT MORE THAN THE MINIMUM EXPORT ENTITLEMENTS UNDER THE ISA (WHICH MEANS ABOUT 85 PERCENT OF QUOTAS). (THIS WAS MISINTERPRETED BY THE MEXICAN PRESS TO MEAN THAT GEPLACEA HAD INITIATED A NEW AND UNIQUE ACTION TO PARTIALLY FREEZE SALES.)

6. BRIOSO EXPRESSED HIS PERSONAL OPINION THAT THE U.S. ACTION TO IMPOSE A FEE WAS PROBABLY NECESSARY AS AN INTERIM STEP. HE FEELS, HOWEVER, THAT SINCE IT RESULTS IN A DUTY-PAID DELIVERY PRICE OF OVER 15 CENTS PER POUND THAT IT WAS HIGHER THAN NECESSARY. HE FURTHER FEELS THAT THE WORLD SUGAR PRICE CAN EASILY REACH THE ELEVEN CENT MARK CALLED FOR BY THE ISA BY THE SECOND SEMESTER OF THE CURRENT YEAR. THE CONTROLLING FACTOR WILL BE THE AMOUNT OF SUGAR BOUGHT BY THE USSR ON THE WORLD MARKET. MOST CURRENT ESTIMATES ARE CALLING FOR A SOVIET SUGAR CROP OF AROUND 9 MILLION TONS. IF THIS IS THE CASE, THEY WILL NOT BUY SIGNIFICANT AMOUNTS ON THE WORLD MARKET. BRIOSO
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MEXICO 03155 231732Z

FEELS, HOWEVER, THAT THIS ESTIMATE MAY BE HIGH SINCE IT NOW APPEARS THAT THE USSR IS BUYING IN LARGE QUANTITIES. HE ESTIMATES THE CUBAN CROP THIS YEAR TO BE ABOUT 7 MILLION TONS OR SLIGHTLY HIGHER. CUBAN DOMESTIC NEEDS WILL BE ABOUT ONE-HALF MILLION TONS.

7. THE NEXT GEPLACEA PLENARY SESSION WILL BE HELD IN GUATEMALA IN OCTOBER, 1978. THOMPSON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SUGAR, MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978MEXICO03155
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780085-0476
Format: TEL
From: MEXICO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780223/aaaaasxa.tel
Line Count: 102
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 675e9ed1-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 10 jun 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3507170
Secure: OPEN
Status: NATIVE
Subject: SUGAR: EIGHTH PLENARY SESSION OF GEPLACEA
TAGS: ETRD, EAGR, EALR, MX, GEPLACEA
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/675e9ed1-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014